

MARKET SIGHT LINES



Outlook 2025 Spotlight No. 3: The World in 2035: From Vision to Value

By Michael O'Keeffe, *Chief Investment Officer*



Earlier this month, my team and I published **Outlook 2025: Gravitational Shifts**, our annual report comprised of several articles we believe are helpful as we start the new year. As mentioned previously, the publication sets the groundwork for our ongoing work and engagement with Stifel Financial Advisors and clients throughout the year. You can read the [full report](#), watch a [video summary](#), or view the replay of this week's [client webinar](#). In this week's Sight|Lines, we share another spotlight, this time with a focus on the article *The World in 2035: From Vision to Value*.

THE TAKEAWAY: A FOCUS ON OUR LONG-TERM THEMES ALLOWS US TO IMAGINE THE WORLD IN 2035

The World in 2035: From Vision to Value shares 10 innovations we may see over the next 10 years that are anchored in our long-term investment themes. In summary:

- *The Fourth Industrial Revolution*: Technological innovation has broken down the boundaries between the physical, digital, and biological worlds, with the potential for things like quantum computing, better artificial limbs, and even bioartificial organs.
- *Securing Strategic Resources*: Companies and governments are prioritizing the development and protection of critical industries, resources, and services, and innovations like vertical farming and more manageable nuclear power are possible.
- *Shifting Demographics*: Changes in global population dynamics will bring about challenges and opportunities, with transformation in areas like wellness and longevity.
- *The New Consumer*: Consumer preferences, expectations, and behavior are altering business models and corporate strategies, perhaps like flying taxis and better AI agents.
- *Productive Competition*: Rivalry ultimately drives innovation, improves quality of life, and creates value for consumers and the economy, with the competition enhanced by the introduction of wide-ranging ideas like humanoid robots and the race to space for commercial benefit.

IN-DEPTH: OUR ONGOING WORK DEVELOPING OUR LONG-TERM THEMES PROVIDES A FOUNDATION TO IMAGINE TRANSFORMATIONAL INNOVATIONS BY 2035

Within our broader report, **Outlook 2025: Gravitational Shifts**, the article *The World in 2035: From Vision to Value* draws upon our long-term investment themes to profile 10 innovations we may see over the next 10 years. Going deeper:

- *The Fourth Industrial Revolution* captures how technological innovation has broken down the boundaries between the physical, digital, and biological worlds. Two transformative ideas:
 - [Quantum Leaps](#) shares how quantum computers will accelerate innovation, like new drugs.
 - [Rise of Bionics](#) hails the progress on artificial limbs, implantable devices, and bioartificial organs.
- *Securing Strategic Resources* shows how companies and governments are prioritizing the development and protection of critical industries, resources, and services. Two transformative ideas:
 - [Vertical Farming](#) explains the potential benefits of indoor, high-tech stacked crops in controlled environments to improve food production.
 - [Nuclear Power](#) recognizes that small modular reactors can help meet the power demands for AI.
- *Shifting Demographics* illustrates how changes in global population dynamics will bring about challenges and opportunities. Two transformative ideas:
 - [Beating Cancer](#) explores how AI should have a growing impact on clinical trials and drug discovery, significantly reducing timeliness and costs to find treatments for disease and longevity.
 - [Digital twins](#), like a digital version of yourself, can help optimize health and wellness.
- *The New Consumer* explores how consumer preferences, expectations, and behavior are altering business models and corporate strategies. Two transformative ideas:
 - [Flying Taxis](#) celebrates how drones may soon provide last-mile deliveries and transportation.
 - [AI Agents](#) may be the next generation of “bots” to serve us, like accountants, lawyers, and doctors.
- *Productive Competition* illustrates how rivalry ultimately drives innovation, improves quality of life, and creates value for consumers and the economy. Two transformative ideas:
 - [Humanoid Robots](#) are set to become a standard feature on the battlefield and elsewhere, complementing the already operational unmanned aerial vehicles, drones, and robot dogs.
 - [Space Means Business](#) explains how the space economy can grow beyond the current uses, like satellites enabling global communication, navigation, and weather forecasting.

CONCLUSION

My team and I published **Outlook 2025: Gravitational Shifts** earlier this month, and we invite you to read the [full report](#), watch a [video summary](#), or view the replay of our [client webinar](#). The article *The World in 2035: From Vision to Value* shares 10 transformative ideas anchored in our long-term themes that we may experience over the next decade.

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Asset allocation and diversification do not ensure a profit and may not protect against loss. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. Due to their narrow focus, sector-based investments typically exhibit greater volatility. Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. Property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance of real estate companies. When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. The Standard & Poor's 500 index is a capitalization-weighted index that is generally considered representative of the U.S. large capitalization market. The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ. The DJIA was invented by Charles Dow back in 1896. The MSCI EAFE index (Europe, Australasia, and the Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. VIX is a trademarked ticker symbol for the Chicago Board Options Exchange Market Volatility Index, a popular measure of the implied volatility of S&P 500 index options.

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